

COUNTRY PROFILE: KYRGYZSTAN

September 2004

COUNTRY

Formal Name: Kyrgyz Republic (Kyrgyz Respublikasy).

Short Form: Kyrgyzstan.

Term for Citizen(s): Kyrgyzstani(s).

Capital: Bishkek.

Other Major Cities: Jalalabad, Kara-Balta, Karakol, Osh, and Tokmok.

Independence: Kyrgyzstan recognizes August 31, 1991, the date on which Kyrgyzstan declared its separation from the Soviet Union, as its official day of independence.

Public Holidays: New Year's (January 1), Russian Orthodox Christmas (January 7), Kurban Ait (Feast of the Sacrifice, February 2), International Women's Day (March 8), Nooruz (Kyrgyz New Year, March 21), Labor Day (May 1), Victory Day (May 9), Independence Day (August 31), and Eid al-Fitr (end of Ramadan, movable date according to the Islamic calendar).

Flag:

The flag of Kyrgyzstan has a red field with a yellow sun in the center, whose rays represent the 40 Kyrgyz tribes; in the center of the sun is a red ring crossed by two sets of three lines, a stylized representation of the roof of the traditional Kyrgyz yurt.



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HISTORICAL BACKGROUND

The modern Kyrgyz Republic is based on a civilization of nomadic tribes who moved across the northern part of Central Asia, intermixing with other tribes and peoples. The first Kyrgyz state, the Kyrgyz Khanate, existed from the sixth to the thirteenth century and extended at its greatest size from present-day south-central Siberia to present-day eastern Kazakhstan and eastern Kyrgyzstan. That state had trading relations with China, Tibet, and Persia. The khanate's territory began to shrink in the eleventh century, and by the twelfth century it occupied only regions in the Altay and Sayan mountains. Meanwhile, Kyrgyz tribes moved across Central Asia and mingled with other tribes. Islam was introduced to the Kyrgyz sometime between the ninth and twelfth centuries. In the thirteenth century, all the Kyrgyz groups were conquered by the Mongolian leader Dzhuchi, son of Genghis Khan, and the Kyrgyz remained under oppressive Mongol rule until 1510.

After gaining freedom from the Mongols, the Kyrgyz were overrun by the Kalmyks in the seventeenth century, the Manchus in the eighteenth century, and the Uzbeks in the nineteenth century. In 1876, after Kyrgyz forces had fought three unsuccessful wars of liberation against the Uzbek Kokand Khanate, Russia conquered the khanate, and the Kyrgyz became part of the Russian Empire. In the last decades of the nineteenth century, large numbers of Russian and Ukrainian settlers moved into the territory of the Kyrgyz tribes. Oppressive Russian land and taxation policies severely damaged the nomadic culture of the Kyrgyz, resulting in a bloody revolt that began in 1916 and spread to other parts of Central Asia. After the Bolshevik Revolution of 1917, the territory of the Kyrgyz became part of the Soviet Union, first as the Kara-Kyrghyz Autonomous Region (1924), then as the Kyrgyz Autonomous Republic (1926), and finally as the Kyrgyz Republic (1936). During the Soviet era, the Kyrgyz Republic played a specialized, uneventful role as the supplier of agricultural products and specific mineral and military products. Until the 1960s, Russians dominated the republic's government. Beginning in that decade, the accession of Kyrgyz politicians to high-level positions established the pattern of local patronage that still underlies politics in Kyrgyzstan.

In 1989 the liberalized policies of Communist Party First Secretary Mikhail S. Gorbachev ignited strife between the Kyrgyz and the minority Uzbek population in Osh Province. In the presidential election of 1990, the resulting general democratization movement led to the defeat of Communist Party chief Absamat Masaliyev by physicist Oskar Akayev. In 1991 Akayev, who was the first person without a substantial party résumé to lead a Soviet republic's government, became the first (and only, as of 2004) president of independent Kyrgyzstan. Akayev's stand in support of Gorbachev at the time of the August 1991 coup and his cautious approach to independence gained international respect for independent Kyrgyzstan. However, in the 1990s entrenched legislative and regional interests frustrated Akayev's reform agenda to improve the depleted economy. Other problems of the 1990s were a serious "brain drain" of Russian technical experts, a stream of refugees into Kyrgyzstan from the civil war in neighboring Tajikistan, and instances of high-level official corruption.

Beginning in the mid-1990s, Akayev took several steps to increase presidential power vis-à-vis the legislative branch, including questionable referenda and suppression of opposition groups. Before the 2000 presidential election, Feliks Kulov, Akayev's chief rival for the presidency, was imprisoned. In 2001 Kyrgyzstan offered the United States an air base at Manas Airport in support of Operation Enduring Freedom in Afghanistan, reinforcing relations with the United States but increasing tension with Russia. The arrest of dissident parliamentary deputy Azimbek Beknazarov in 2002 caused large-scale protests. The harsh suppression of those protests brought about the resignation of the government. In 2003 a referendum, criticized by international monitors, approved Akayev serving his full presidential term (through 2005) in the face of strong demands for his resignation. That same year, the parliament approved lifelong immunity from prosecution for Akayev and his family.

GEOGRAPHY

Location: Kyrgyzstan is located along the eastern border of the Central Asian region, southeast of Kazakhstan, west of China, east of Uzbekistan, and north of Tajikistan.

Size: The second-smallest of the five Central Asian states, Kyrgyzstan has an area of 198,500 square kilometers, of which 7,100 square kilometers is water.



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Land Boundaries: Kyrgyzstan has 1,099 kilometers of border with Uzbekistan, 1,051 kilometers with Kazakhstan, 870 kilometers with Tajikistan, and 858 kilometers with China.

Land Border Disputes: Kyrgyzstan has unresolved border disputes with Tajikistan (in the Isfara Valley to the southwest) and with Uzbekistan (on the status of Uzbek enclaves in Kyrgyzstan and elsewhere along the common border).

Length of Coastline: Kyrgyzstan is landlocked.

Topography: The topography is dominated by sharp mountain peaks and valleys, and considerable areas are covered by glaciers. The elevation of about 94 percent of the terrain is 1,000 meters or more above sea level, and 30 percent of the terrain is higher than 3,000 meters above sea level. The only relatively flat regions are the Kyrgyzstani part of the Fergana Valley, in southwestern Kyrgyzstan, and in the Chu and Talas valleys along the northern border.

Principal Rivers: Kyrgyzstan has no navigable rivers. The Chu River arises in the mountains of northern Kyrgyzstan and flows northwest into Kazakhstan. The Naryn River arises in the Tien Shan Mountains of eastern Kyrgyzstan and crosses central Kyrgyzstan before meeting the Kara Darya to form the Syr Darya River in the Uzbek part of the Fergana Valley.

Climate: The major climatic influences are the mountains and Kyrgyzstan's location at the center of the Eurasian land mass, far from any body of water. The resulting continental climate includes winter temperatures averaging -30°C in the mountain valleys and summer temperatures averaging 27°C in the Fergana Valley. The western mountains receive as much as 2,000 millimeters of precipitation per year, but the west bank of the Ysyk-Köl, Kyrgyzstan's largest lake, receives only 100 millimeters per year.

Natural Resources: Kyrgyzstan's only mineral resource of economic value is gold. Substantial amounts of antimony and coal are present, but economic factors preclude large-scale exploitation. Kyrgyzstan also has deposits of mercury, tin, tungsten, and uranium oxide. Most of Kyrgyzstan's terrain is too mountainous to grow crops, but higher-elevation pastures support livestock raising.

Land Use: Some 7 percent of Kyrgyzstan's land surface is classified as arable, and 0.4 percent is planted to permanent crops. The remainder is mountains, glaciers, and high-altitude steppe that is used for grazing.

Environmental Factors: Because it was not designated as a heavy industrial zone in the Soviet system, Kyrgyzstan has avoided the grave environmental problems encountered by the other Central Asian countries. The main problems are inefficient use and pollution of water resources, land degradation, and improper agricultural practices. Gold and uranium mining operations have leached toxic chemicals into soil and water in the eastern half of the country, and salinization is a problem along the eastern stretches of the Naryn River. In the post-Soviet era, increased automobile use has made air pollution a problem in urban centers. Overuse of forest reserves also is an environmental issue. The Ministry of Ecology and Emergency Situations is the national enforcement agency for environmental policy, which is summarized in the National Environmental Action Plan. However, that plan is heavily subsidized and directed by international donors, and by law the president also plays a strong role in environmental policy.

Time Zones: Kyrgyzstan's time zone is five hours ahead of Greenwich Mean Time.

SOCIETY

Population: In 2004 Kyrgyzstan's population was estimated at 5,081,429. The annual growth rate is 1.25 percent. In the early 2000s, increased emigration of Russians and other minority nationalities with technical expertise has been an important economic issue. In 2004 the net migration rate was -2.45 persons per 1,000 population. The population is concentrated in small areas in the north and southwest; about two-thirds of the population lives in the Chu, Fergana, and Talas valleys. About 60 percent of the population lives in rural areas.

Demography: In 2004 some 32 percent of the population was 14 years of age or younger, and 6 percent was 65 years of age or older. The birthrate was 22.13 births per 1,000 population, and the death rate was 7.2 per 1,000 population. Infant mortality was 36.8 deaths per 1,000 live births. Life expectancy for the total population was 67.8 years: 72.1 years for females and 63.8 years for males. The fertility rate was 2.7 births per woman.

Ethnic Groups: A 2003 U.S. State Department estimate showed the following proportions of ethnic groups in Kyrgyzstan: 67 percent Kyrgyz, 14 percent Uzbek, 11 percent Russian, 1 percent Dungan (ethnic Chinese Muslim), 1 percent Tatar, and 1 percent Uyghur.

Languages: In the post-Soviet era, designation of official languages has been a sensitive issue in Kyrgyzstan. After a government campaign to expand the use of Kyrgyz in the 1990s, in 2001 the legislature designated Russian as the country's second official language, alongside Kyrgyz. Russian is the primary language of commerce and higher education.

Religion: The vast majority of the Kyrgyz and Uzbek populations are Sunni Muslims. The Kyrgyz practice a version of Islam that is influenced by earlier beliefs and practices and by the nomadic nature of earlier Kyrgyz society. This combination is most prevalent in the north; the Islam practiced in the southwestern population centers (where the Uzbek minority is concentrated) resembles more closely that practiced elsewhere in Central Asia. Most of the Russian population professes Russian Orthodoxy. In the post-Soviet era, some Protestant and

Roman Catholic missionary activity has taken place, but proselytization has been discouraged officially and unofficially. A “black list” of harmful sects includes the Seventh Day Adventists, Ba’hai Muslims, and Jehovah’s Witnesses.

Education and Literacy: In 2004 the literacy rate in Kyrgyzstan was 98.7 percent. Education is compulsory for nine years, between ages seven and 15. The system then offers two years of upper secondary school, specialized secondary school, or vocational/technical school. In 2001 some 89 percent of the relevant age-group was enrolled in the compulsory program, but this figure has decreased in the early 2000s. In 2002 some 44 institutions of higher learning were operating, most notably the Kyrgyz State University, Kyrgyz Technical University, and Kyrgyz-Russian Slavonic University. Primary and secondary schools teach in Kyrgyz, but the language of instruction in the higher institutions is Russian. Budget cuts that have reduced teacher salaries and equipment availability are reflected disproportionately in reduced numbers of female students. In 2002 some 4.5 percent of gross domestic product (GDP) was spent on education.

Health: In the post-Soviet era, Kyrgyzstan’s health system has suffered increasing shortages of health professionals and medicine. Kyrgyzstan must import nearly all its pharmaceuticals. The increasing role of private health services has supplemented the deteriorating state-supported system. In the early 2000s, public expenditures on health care decreased as a percentage of total expenditures, and the ratio of population to number of doctors increased substantially, from 296 per doctor in 1996 to 355 per doctor in 2001. A national primary-care health system, the Manas Program, was adopted in 1996 to restructure the Soviet system that Kyrgyzstan inherited. The number of people participating in this program has expanded gradually, and province-level family medicine training centers now retrain medical personnel. A mandatory medical insurance fund was established in 1997.

Largely because of drug shortages, in the late 1990s and early 2000s the incidence of infectious diseases, especially tuberculosis, has increased. The major causes of death are cardiovascular and respiratory conditions. Official estimates of the incidence of human immunodeficiency virus (HIV) have been very low (in 2001 the estimate was less than 0.1 percent of the adult population). However, HIV is concentrated in Kyrgyzstan’s narcotics-abusing and prison populations, particularly in Osh. Because narcotics abuse is increasing rapidly in the cities, HIV incidence is expected to do likewise.

Welfare: Unemployment benefits are paid for 26 weeks at the minimum wage level. The need to reform revenue collection and allocation systems has delayed a planned revision of the state unemployment insurance system. Workers are eligible for state-funded pensions at age 60 for men and age 55 for women. Disabled workers receive the pension amount with a supplement. The state, which controls almost all pension funds in Kyrgyzstan, has been chronically late in pension payments. As a step in a long-term pension reform program, some private pension funds began to appear in 2003. In 2004 the minimum pension was US\$5.10 per month (12 percent of the average wage, US\$42.50), an amount that has been inadequate to support a majority of recipients. In 2003 an estimated 50 percent of citizens lived below the poverty line; the figure was about 80 percent in the southern regions of Kyrgyzstan. The government’s ten-year Comprehensive Development Framework includes a poverty reduction program supported by the International Monetary Fund.

ECONOMY

Overview: Prior to 1991, Kyrgyzstan's economy was highly dependent on the economy of the Soviet Union. The loss of key Soviet inputs caused severe economic contraction in the 1990s and has required substantial restructuring. The market reform program pursued in the 1990s has been partly abandoned as the state assumed a greater planning role in the late 1990s and early 2000s. Agriculture and services are the most important sectors, as industry remains concentrated in specific regions and outputs. A Comprehensive Development Framework has set economic goals from 2001 to 2010. As much as 50 percent of the gross domestic product (GDP) is contributed by the gray economy. The government has launched two major programs to privatize state enterprises, which by 2003 had shifted about 7,000 enterprises to the private sector.

Gross Domestic Product (GDP): After declining by 0.2 percent in 2002, in 2003 the GDP increased by 6 percent to US\$1.96 billion. The International Monetary Fund predicted a growth rate of 4.5 percent for 2004. In 2003 services accounted for 40 percent of GDP, agriculture 35 percent, and industry 25 percent. Operations in the Kumtor Gold Mine, Kyrgyzstan's single most productive asset, contributed 7 percent. In 2003 per capita GDP was US\$386.

Government Budget: After Kyrgyzstan experienced high annual deficits through 1995, tax reforms and public expenditure restrictions reduced but did not eliminate annual deficits beginning in 1997. However, several factors inhibit budget-balancing progress: state revenue is low as a percentage of gross domestic product (GDP), external debt remains high, and social and welfare expenditures still are more than 50 percent of the budget. In 2003 the deficit was about 5 percent of GDP. The government's goal for 2004 is to reduce the deficit to 4.4 percent of GDP.

Inflation: In the early 1990s, inflation was a grave problem, as the rate reached 700 percent in 1993. With a brief spike caused by the Russian financial crisis of 1998, the government has controlled inflation much better in the late 1990s and early 2000s. In 2003 the inflation rate was 5.6 percent. The International Monetary Fund endorsed an inflation projection for 2004 of 4 percent.

Agriculture: Agriculture remains a vital part of Kyrgyzstan's economy and a refuge for workers displaced from industry. After sharp reductions in the early 1990s, agricultural production is approaching 1991 levels. Grain production in the lower valleys and livestock grazing on upland pastures occupy the largest share of the agricultural workforce. Farmers are shifting to grain and away from cotton and tobacco. Other important products are dairy products, hay, animal feed, potatoes, vegetables, and sugar beets. Agricultural output comes from private household plots (55 percent of the total), private farms (40 percent), and state farms (5 percent). Further expansion of the sector depends on banking reform to increase investment and market reform to streamline the distribution of inputs.

Forestry: Only 4 percent of Kyrgyzstan is classified as forested. All of that area is state-owned, and none is classified as available for wood supply. The main commercial product of the forests is walnuts.

Fishing: Kyrgyzstan does not have a significant fishing industry. In 2001 aquaculture contributed 70 percent of the country's total output of 201 tons of fish.

Mining and Minerals: In the post-Soviet era, mining has been an increasingly important economic activity. The Kumtor Gold Mine, which opened in 1997, is based on one of the largest gold deposits in the world. Several other gold deposits have been developed slowly, and the closing of Kumtor—expected by 2010—will deplete the contribution of the mining sector to gross domestic product (GDP). The state agency Kyrgyzaltyn owns all mines, many of which are operated as joint ventures with foreign companies. Uranium and antimony, important mineral outputs of the Soviet era, no longer are produced in significant amounts. Although between 1992 and 2001 coal output dropped from 2.37 million tons to 0.47 million tons, the government plans to increase exploitation of Kyrgyzstan's considerable remaining deposits in order to reduce dependency on foreign energy sources. A particular target of this policy is the Kara-Keche deposit in northern Kyrgyzstan. The small domestic output of oil and natural gas does not meet national needs.

Industry and Manufacturing: In the post-Soviet era, Kyrgyzstan's industries suffered sharp reductions in productivity because the supply of raw materials and fuels was disrupted and Soviet markets disappeared. The sector has not recovered appreciably from that reduction; if gold production is not counted, industry contributes only 13 percent of the gross domestic product (GDP). Investment and restructuring have remained very low, and the electricity industry (traditionally an important part of industry's contribution to GDP) has stagnated in recent years. Government support is moving away from the machinery industries, which were a major contributor to the Soviet economy, toward clothing and textiles. Food processing accounts for 10 to 15 percent of industrial production.

Energy: Because it has limited deposits of fossil fuels and low investment in extraction industries, Kyrgyzstan is highly dependent on foreign sources of energy. Most of its natural gas imports come from Uzbekistan, with which it has had a series of imperfect barter agreements. The rate of energy consumption is high considering average income, and the government has no comprehensive plan to reduce demand. Some 92.5 percent of domestically used electricity is generated by hydroelectric plants. Because of its rich supply of hydroelectric power, Kyrgyzstan sends electricity to Kazakhstan and Uzbekistan in return for fossil fuels. A new hydroelectric plant at Kumbar-Ata will supply power to parts of China and Russia. However, an antiquated infrastructure and poor management make Kyrgyzstan dependent on foreign energy when water levels are low. In the early 2000s, Kyrgyzstan was exploiting only an estimated 10 percent of its hydroelectric power potential. In 2001 Kyrgyzstan had about 70,000 kilometers of power transmission lines served by about 500 substations.

Services: Substantial post-Soviet growth in the services sector is mainly attributable to the appearance of small private enterprises. The central bank is the National Bank of the Kyrgyz Republic, which nominally is independent but follows government policy. Although the banking system has been reformed several times since 1991, it does not play a significant role in investment. A stock market opened in 1995, but its main function is trading in government securities. Because of the Akayev regime's economic reforms, many small trade and catering

enterprises have opened in the post-Soviet era. Although Kyrgyzstan's mountains and lakes are an attractive tourist destination, the tourism industry has grown very slowly because it has received little investment.

Labor: In 2000 Kyrgyzstan's labor force was estimated at 2.7 million, of which 55 percent of workers were employed in agriculture, 30 percent in services, and 15 percent in industry. Estimates of unemployment are not likely accurate because many people are engaged in unofficial economic activities, are underemployed, or do not register for benefits. In 2002 the United Nations estimated the unemployment rate at 12.5 percent. In rural villages, long-term unemployment exceeds 70 percent, especially in the younger generations. The numbers fall when summer farming work is available. The average income in rural areas, where many engage in subsistence farming, is less than US\$1 per day. In 2003 the minimum wage was US\$2.30 per day.

Foreign Economic Relations: Beginning in the 1990s, the government of Kyrgyzstan has attempted to liberalize its trade policies. In 1998 Kyrgyzstan became the first country in the Commonwealth of Independent States (CIS) to gain membership in the World Trade Organization (WTO). However, Kyrgyzstan's geographical isolation and import requirements have left intact much of its Soviet-era dependency on regional trading partners. Beginning in 1997, increased gold exports have provided new world markets but also have increased reliance on a single export commodity. Gold accounts for about 80 percent of exports outside the CIS. In 2003 the principal customers for Kyrgyzstan's exports, in order of value, were Russia, Kazakhstan, China, the United States, Uzbekistan, and Germany. The principal suppliers of imports, in order of value, were the United Arab Emirates (UAE), Switzerland, Russia, Kazakhstan, and China. In 2002 the principal exports were gold and other precious and semiprecious metals; mineral products; textiles and fabrics, prepared foods, beverages, and tobacco; and machinery and electrical equipment. The principal imports were mineral products, including fossil fuels, machinery and electrical equipment, chemical products, prepared foods and beverages, and textiles and fabrics.

Trade Balance: In 2003 Kyrgyzstan's exports were worth a total of US\$581 million, its imports US\$717 million, creating a trade deficit of US\$136 million. This shortfall continued a sharp turnaround from 2001, when the trade surplus was US\$40 million.

Balance of Payments: In 2002 the overall balance of payments was US\$29.2 million. Beginning in 2000, the current account balance has fluctuated considerably but always remained negative. In 2002 the current account deficit, aided by extensive current transfers of humanitarian and technical assistance from the West and Japan, was US\$34.7 million. Portfolio investment has been very small, and foreign direct investment has decreased sharply in the early 2000s. Investments by international creditors have compensated for Kyrgyzstan's negative balances.

External Debt: At the end of 2001, Kyrgyzstan's external debt totaled US\$1.7 billion, of which US\$1.26 billion was long-term public debt. Since 2001 Kyrgyzstan has renegotiated some of its debt with Russia and with the Paris Club of Western creditors.

Foreign Investment: Foreign direct investment reached a peak during construction of the Kumtor Gold Mine in the late 1990s, then dropped sharply. In the early 2000s, foreign investment has been concentrated in the gold industry and in Bishkek, which has received more than 50 percent of the total.

Currency and Exchange Rate: Kyrgyzstan's currency is the Kyrgyzstan som. In mid-2004 the exchange rate of the Kyrgyzstan som was 42.5 to the U.S. dollar. The last currency reform occurred in 1998.

Fiscal Year: The fiscal year is the calendar year.

TRANSPORTATION AND TELECOMMUNICATIONS

Overview: Land transportation is a critical element of national unity because the regions of Kyrgyzstan (particularly north and south) are separated by natural barriers. Foreign investment has been sought to support long-term improvement projects for rail, road, and air transportation lines.

Roads: In 1999 Kyrgyzstan had 18,500 kilometers of roads, of which 16,854 kilometers were paved. Of that total, 140 kilometers were classified as highways and 3,160 kilometers as main roads. Major expansion projects with international funding are a 650-kilometer, north-south highway linking Bishkek and Osh, a road connecting Issyk-Köl Lake with Aksu in China's Xingjiang Province, and an east-west highway connecting Osh with the Chinese border. Those roads are to be completed by 2008.

Railroads: In 2003 Kyrgyzstan had only 370 kilometers of railroad track, all of which was broad-gauge. Hence, Kyrgyzstan is largely dependent on the railroad systems of neighboring countries. Passenger service was reduced in 1999. Long-term government plans call for upgrading the railroad system to include Kyrgyzstan in the flow of rail traffic across Central Asia and the establishment of urban rail systems in Bishkek, Osh, and Jalalabad. Kazakhstan and Kyrgyzstan plan to build a 100-kilometer connector to bring Kazakh tourists from Almaty to Lake Issyk-Köl.

Ports: The only port is Balykchy, a fishing town on Lake Issyk-Köl.

Inland Waterways: None of Kyrgyzstan's rivers is navigable, and the country has no canals.

Civil Aviation and Airports: In the early 2000s, international funding has upgraded the main airport, Manas. In 2003 Manas was the only one of Kyrgyzstan's 61 airports with a runway longer than 3,000 meters and the only airport supporting international flights. Smaller airports provide connections among domestic destinations.

Pipelines: The limitations of Kyrgyzstan's pipeline system are a major impediment to fuel distribution. In 2003 the country had 367 kilometers of natural gas pipeline and 13 kilometers of oil pipeline, after adding some 167 kilometers of natural gas pipeline in 2003.

Telecommunications: In the early 2000s, Kyrgyzstan used international investment support to restructure its telecommunications system, which in 2002 had 7.7 telephone lines per 100 inhabitants and 53,100 cellular phones in use. As part of the upgrading process, the government has attempted to sell a majority interest of the state-owned telecommunications company, Kyrgyztelecom, to foreign bidders. Companies from Russia, Sweden, and Turkey have been possible buyers. In the early 2000s, Internet use has expanded rapidly. Between 1999 and 2002, the number of Internet subscribers increased from 3,000 to 20,000. The government's information and communications technology strategy is aimed at encouraging Internet use. The long-term goal of that strategy is for the telecommunications sector to contribute 5 percent to gross domestic product (GDP) by 2010.

GOVERNMENT AND POLITICS

Overview: Kyrgyzstan is a unitary presidential republic that began the post-Soviet era as the least authoritarian of the five Central Asian states. The constitution, which calls for three separate branches of government, has been amended several times to change the structure of the legislative branch. Since the late 1990s, the regime of the thrice-elected President Oskar Akayev increasingly has overlooked democratic processes and strengthened his hold on power, despite increasing protests. Constitutional changes have concentrated power in the presidency, to the detriment of the legislative branch, and made removal of the president more difficult. The parliament has blocked some presidential proposals, but it is not an effective check on executive power. The judicial branch is effectively under the control of the executive branch. Significant regional political power centers exist.

Executive Branch: The executive branch comprises the president, the prime minister, and a cabinet consisting of twelve ministers and the heads of nineteen national agencies, commissions, and committees. The prime minister is appointed by the president, subject to the approval of the parliament. The president also appoints the other cabinet members. Presidential power increased as the result of a 2003 referendum, whose procedures received international criticism. The president is directly elected to a five-year term, with a two-term limitation that was circumvented by Akayev in a 1998 referendum. Akayev's informal power base among the business elite, younger politicians, and former allies has eroded, but in 2004 opposition was divided.

Legislative Branch: Members of both houses of the bicameral Supreme Council (Zhogorku Kenesh) are directly elected to five-year terms. The Supreme Council consists of a 70-seat lower house, the People's Assembly, which meets twice per year to consider regional issues, and a 35-seat upper house, the Legislative Assembly, which is in permanent session. In 2004 one of every 16 deputies in the Supreme Council was a woman. A referendum in 1998 substantially weakened the Supreme Council's power to block legislative propositions of the president. In 2003 a referendum changed the legislature's structure from bicameral to unicameral, after a referendum in 1994 had established a bicameral legislature in place of the much larger unicameral legislature that had been established by the 1993 constitution. Both changes aimed to increase presidential power at the expense of the legislative branch. The change back to a unicameral legislature will take place after the elections of 2005; the new body will have 75 members.

Judicial Branch: Although nominally independent, the judicial branch is substantially under the control of the president, who recommends appointments to both of the main judicial institutions: the Supreme Court and the Constitutional Court. (The constitutional amendments of 2003 abolished a third national court, the Supreme Court of Arbitration, awarding its role as arbiter of commercial disputes to the Supreme Court.) The Supreme Court is the highest appeals court for civil and criminal cases. The Constitutional Court rules on constitutional interpretations and on the validity of presidential elections. The members of those courts are elected to ten-year terms by the Supreme Council, after being nominated by the president. The president appoints judges to seven-year terms at the subnational levels. High-profile cases have shown the courts' bias toward the executive branch. In 1998 the Constitutional Court ruled on a technicality that Akayev could stand for a third presidential term, contrary to the constitutional prohibition. In the early 2000s, criminal trials of opposition figures demonstrated substantial partisanship by the courts toward the executive branch.

Administrative Divisions: Kyrgyzstan is divided into seven provinces and the municipality of Bishkek, the capital. Each province is headed by a governor (*akim*) who is appointed by the president. The provinces are divided into districts whose administrators are appointed by the central government. Rural communities, comprising up to 20 small settlements, are governed by directly elected mayors and councils.

Judicial and Legal System: Although the constitution provides for an independent judiciary, Kyrgyzstan's court system is widely seen as under the influence of the prosecutor's office. Low salaries make the bribery of judges commonplace. Most cases originate in local courts; they then can move via the appeals process to district or regional courts, with the Supreme Court the final court of appeals. Economic disputes and military cases are heard in specialized courts. The constitutional amendments of 2003 expanded the scope of the Supreme Court in civil, criminal, and administrative proceedings. Many protections of Western jurisprudence have not been incorporated into Kyrgyzstan's system, which retains many features of the Soviet system. The right to counsel and the presumption of innocence of the accused are guaranteed by law but often not practiced.

Electoral System: Suffrage is universal, and the minimum voting age is 18. Parliamentary and presidential elections are a two-stage process, with runoffs between the top two vote-getters for each geographically identified parliamentary seat. Third rounds sometimes are held. International monitors have identified substantial irregularities in the presidential election of 2000 and referenda in 1998 and 2003. Before the presidential election of 2000, the main opposition candidate, Feliks Kulov, was imprisoned. In that election, Akayev received 74 percent of the vote. He has publicly stated that he will not seek another term in 2005. The results of parliamentary elections in early 2005, which opposition groups plan to contest strongly, are expected to affect Akayev's ability to assume a more permanent executive position before his term ends that year. The prospects of opposition parties were hurt by the abolition in 2003 of party list seats in parliament and by election code reforms in 2004. The party-list trend already was visible in the 2000 election, when only 15 of 105 seats were allocated by that method. The prospective elimination of runoff elections, which normally pit an Akayev supporter against an opposition candidate with unified support, would further weaken the opposition. In 2004

government and non-governmental groups began exerting some pressure to reduce the government's traditional control of the electoral system.

Politics and Political Parties: In the 1990s, numerous political parties with a variety of agendas developed, but few had broad national followings. An exception is the Communist Party of Kyrgyzstan, an opponent of free-market economic reform, which in the parliamentary elections of 2000 gained 28 percent of the vote. In general, opposition parties have retained a high level of activity but have been unable to form a united front against the Akayev regime; in the 1990s and early 2000s, major opposition parties formed several unstable coalitions. The party affiliations of some major candidates who could run for president against an Akayev-backed candidate in 2005 are nebulous. The abolition in 2003 of party list voting for parliament and the abolition of runoff elections will hurt opposition parties.

Mass Media: Although the constitution guarantees freedom of the press and prohibits censorship, government restrictions exist. Competition among media outlets is skewed by heavy government support of pro-government newspapers and broadcast outlets. In the early 2000s, an increasing number of such outlets were controlled by individuals with ties to the government. One Bishkek radio station is owned by Akayev's son-in-law. In 2003 some eight of Kyrgyzstan's 25 to 30 newspapers and magazines were state-owned, and the state publishing house, Uchkun, was the major newspaper publisher in the country. In 2002 and 2003, the government registered several independent newspapers and radio and television stations.

Foreign Relations: In the post-Soviet era, Kyrgyzstan has joined several regional organizations in an effort to improve its security and economic position. Among those organizations are the Shanghai Cooperation Organization and the Collective Security Treaty Organization of the Commonwealth of Independent States. Because such organizations have not had the intended effect, Kyrgyzstan's meaningful foreign relations have largely been bilateral. Relations with Russia have remained a primary concern because Kyrgyzstan had been unusually dependent on the Soviet structure in security and economic matters. The rights of the technically valuable Russian minority have been a sensitive issue. After the posting of U.S. troops in Afghanistan for the antiterrorist operation in Afghanistan in 2002, Akayev sought to balance that presence with ongoing Russian interests. Since 2000 tensions with Uzbekistan have increased because of the countries' fuel-for-power arrangement and Uzbekistan's unilateral steps against cross-border terrorist organizations. Uzbekistan's mining of the common border has brought complaints from Kyrgyzstan. Relations with China have improved steadily since 1991, as trade has flourished and border issues have been settled. Kyrgyzstan's large population of Uyghur emigrants concerns China, however, because of separatism in adjoining Xingjiang Province, from which they migrated.

Membership in International Organizations: Kyrgyzstan is a member of the following international organizations: the Asian Development Bank, Commonwealth of Independent States, Economic Cooperation Organization, Euro-Atlantic Partnership Council, European Bank for Reconstruction and Development, Food and Agriculture Organization, International Atomic Energy Agency, International Bank for Reconstruction and Development, International Criminal Police Organization (Interpol), International Development Association, International Finance Corporation, International Fund for Agricultural Development, International Labour

Organization, International Monetary Fund, International Organization for Migration, International Telecommunication Union, Organization for the Prevention of Chemical Weapons, Organization for Security and Cooperation in Europe, Partnership for Peace (of the North Atlantic Treaty Organization, NATO), Shanghai Cooperation Organization, United Nations, United Nations Committee on Trade and Development, United Nations Educational, Scientific, and Cultural Organization, United Nations Industrial Development Organization, Universal Postal Union, World Customs Organization, World Federation of Trade Unions, World Health Organization, and World Trade Organization.

Major International Treaties: Among the multilateral treaties to which Kyrgyzstan is a signatory are the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, Convention on Long-Range Transboundary Air Pollution, Convention on the Prohibition of the Development, Production, and Stockpiling of Chemical Weapons and on Their Destruction, Geneva Conventions (1949), Montreal Protocol on Substances That Deplete the Ozone Layer, Treaty on the Non-Proliferation of Nuclear Weapons, United Nations Convention to Combat Desertification, and United Nations Framework Convention on Climate Change.

NATIONAL SECURITY

Armed Forces Overview: In the post-Soviet era, Kyrgyzstan has not developed an armed force of significant size, and it remains dependent on Russia in many aspects of national defense. Between terrorist attacks that occurred in 1999 and 2003, military spending increased by about 50 percent, but the armed forces did not grow significantly during that period. Ground forces constitute the main fighting element. In 2004 Kyrgyzstan's army had 8,500 active personnel, and its air force had 2,400 active personnel. Some 57,000 individuals were in military reserve status.

Foreign Military Relations: Both the United States and Russia have recently established bases in northwestern Kyrgyzstan (the United States at Manas in 2002, Russia at nearby Kant in 2003), and the Kyrgyz government has tried to balance the competing military interests of those countries and of China in Central Asia. Because of the importance of that balance, Kyrgyzstan has been reluctant to allow a permanent U.S. presence.

External Threat: No neighbor constitutes a conventional military threat to Kyrgyzstan. The porous southern and western borders, however, have allowed terrorist groups to enter and occupy Kyrgyzstani territory from the Fergana Valley and Tajikistan. As of 2004, membership in the security-oriented Shanghai Cooperation Organization had not materially improved Kyrgyzstan's border security. A bilateral border treaty with China has improved security to the east.

Defense Budget: Since 1999 Kyrgyzstan's defense budget has increased significantly, albeit from a very low starting point. Between 2001 and 2003, military expenditures increased from US\$17.6 million to US\$24 million.

Major Military Units: In 2004 Kyrgyzstan's army had one motorized rifle division, two independent motorized rifle brigades, one air defense brigade, one antiaircraft artillery brigade,

and three special forces regiments. The air force had one fighter regiment, one composite aviation regiment, and one helicopter regiment.

Major Military Equipment: In 2004 Kyrgyzstan's army had 215 main battle tanks, 30 reconnaissance vehicles, 387 armored infantry fighting vehicles, 63 armored personnel carriers, 141 pieces of towed artillery, 18 pieces of self-propelled artillery, 66 mortars, 21 multiple rocket launchers, 26 antitank guided weapons, 18 antitank guns, and 24 air defense guns. The air force had 52 combat aircraft and 9 attack helicopters.

Military Service: The minimum age for conscription or voluntary military service is 18. Since 2000 the military has moved from a conscription system to a mainly volunteer army, but pay failures have caused increased desertions. In 2004 the term of active duty was shortened from 18 months to 1 year.

Paramilitary Forces: Kyrgyzstan has a border guard force of about 5,000. A nominal National Guard is manned by regular army personnel.

Military Forces Abroad: No Kyrgyzstani forces are stationed abroad.

Police: The main law enforcement agencies are the Ministry of Internal Affairs (for general crime), the National Security Service (for state-level crime), and the national prosecutor's office, which handles all types of crime. Police, who are under the jurisdiction of the Ministry of Internal Affairs, have been used to disrupt political demonstrations, and incidents of police corruption have been reported. The violent demonstrations of 2002 brought about a police reform program aimed at improving public perceptions of a force known for taking bribes, criminal ties, and violence, and plagued by low pay. About 25,000 police were active in 2004.

Internal Threat: Corruption and incompetence in the police force have led to uncontrolled crime in urban parts of Kyrgyzstan. In the early 2000s, Kyrgyzstan's location between Tajikistan (a major transit country for narcotics from Afghanistan) and Russia has made the western part of Kyrgyzstan (particularly Osh) a major transit region for narcotics and trafficking in people. During that period, domestic narcotics production and abuse have grown sharply. In the Fergana Valley, tension exists between Kyrgyz and Uzbek citizens over land and housing rights.

Terrorism: In the late 1990s and early 2000s, Kyrgyzstan has suffered incursions by terrorist groups (notably the Islamic Movement of Uzbekistan, IMU) from hotbeds of Islamic insurgent activity in nearby Tajikistan and the Fergana Valley. In 1999 Islamic terrorists took a group of Japanese and Kyrgyz hostages in Kyrgyzstan, and an Islamic insurgency continued in Batken and Osh in 2000. In 2003 a series of minor incidents in Osh were attributed to terrorists. Those events showed that Kyrgyzstan did not have sufficient security forces to prevent a major terrorist incursion. Domestic forces have been upgraded somewhat in the early 2000s, but Kyrgyzstan likely would need assistance from Russia or Uzbekistan to counter a serious insurgency.

Human Rights: Beginning in the late 1990s, journalists who criticize the Akayev regime often have been imprisoned, as have opposition political figures such as Feliks Kulov. Four political parties were barred on technicalities from the parliamentary elections of 2000. The election code

changes of 2004 restrict access to electoral procedures by the media. Courts often do not observe the nominal right to counsel and to presumption of innocence of the accused. Prisons are overcrowded and have serious shortages of food and medical support. In the early 2000s, tuberculosis and HIV rates in prisons were high. The reporters of some independent media outlets have been harassed and threatened, acts of violence have occurred, and copies of independent newspapers have been confiscated. Registration of new media outlets has been prolonged or denied, and the government's awarding of broadcast frequencies prolonged. Authorities have restricted the activities of some Muslim groups considered extremist and of some missionary Christian groups. The constitutional amendments of 2003 contain several nominal improvements to human rights protections, but genuine reform has not occurred.